

November 30, 1999

VHA FINANCIAL MANAGEMENT ADVISORY COUNCIL

1. PURPOSE: This Veterans Health Administration (VHA) Directive establishes the VHA Financial Management Advisory Council (FMAC) under the oversight of the VHA Chief Finance Officer (CFO). **NOTE:** *Previously the FMAC charter was contained in a Department Handbook and reporting responsibility was to the Department of Veterans Affairs (VA) and VHA CFO organizations.*

2. BACKGROUND: The FMAC was established before the current CFO organizations to provide a direct link between VHA field financial staff and HQ financial staff. With the development of the CFO organizations at Department and Agency level, the Department CFO retained oversight of the group. The current Department CFO has relinquished oversight to the VHA CFO.

3. POLICY: It is VHA policy that the VHA Financial Management Advisory Council is established to assist the VHA Chief Financial Officer in implementing VA and VHA policies and initiatives within the financial arena. Ensuring the timeliness, accuracy and efficiency of recording financial data; reviewing records and reports for accuracy and quality; and maintaining sound financial records, is essential.

4. ACTION

a. The FMAC serves at the direction of the VHA CFO.

b. The duties and responsibilities of the FMAC are to:

(1) Coordinate and assist in the implementation of financial policy and other financial management initiatives, working with designated staff offices and VHA fiscal offices.

(2) Assist in the development and evaluation of financial policy.

(3) Serve as liaison in providing feedback to the VHA CFO organization on implementing financial policy or other financial management initiatives in VHA.

(4) Improve communications within the VHA financial community.

(5) Serve as liaison in communicating operational issues and recommendations to the VHA CFO for appropriate action.

(6) Present draft minutes of meeting within 2 weeks of completion of the meeting. Maintain a record of projects and assignments updated and published in the first month of each quarter to the VHA financial community.

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c. The VHA CFO will ensure that the views and needs of large and small facilities are fairly represented on the FMAC. Members' appointments and terms of office will be determined as follows:

(1) The FMAC will consist of eleven members. Ten members will be from medical facilities and be appointed to serve a three-year term based on the fiscal year. Appointments will be constituted in such a way that at least three, but not more than four members will complete their terms each year. The eleventh member will be a VISN CFO appointed by the VHA CFO, who determines the length of the appointment.

(2) The medical center members will be chosen on the basis of their individual qualifications, including experience in a wide range of positions, facilities and geographic areas. Membership will be limited to individuals in the GS-505 series, holding positions of Chief Financial Officer, Chief Fiscal Officer, Assistant Chief Fiscal Officer or similar position at a VHA facility. Any personnel action that would change a member's position classification, such as removing the individual from daily financial operations, will require replacement on the FMAC.

(3) To fill upcoming vacancies, the VHA CFO will issue a call memorandum to the Facility Directors through the Network Directors. Facility Directors will submit their nominations along with a statement of qualifications to the Network Directors, who will compile nominations for the Network and submit no more than three nominations to the VHA CFO. The VHA CFO will make the final selection. **NOTE:** *Unexpected vacancies will be handled on a case-by-case basis.*

(4) The FMAC Chairperson (appointed by the VHA CFO) will serve on the VHA CFO Council.

(5) The FMAC will meet periodically as determined by the VHA CFO. The VHA CFO organization will coordinate the meeting and provide logistical support. To the extent possible, FMAC business will be completed through telephone conference calls. Travel and per diem will be funded by the VHA Office of Finance (17).

d. Procedures governing the conduct of meetings will be as follows:

(1) A Secretary will be elected as the first order of business in the new fiscal year. It will be the responsibility of the FMAC Secretary to maintain minutes of all FMAC meetings.

(2) A quorum will exist when a simple majority of the members are present. Recommendations to the VHA CFO will be passed by a simple majority of the quorum at the FMAC meeting.

(3) The VHA CFO and the FMAC Chairperson will be responsible for preparing, coordinating, and finalizing the FMAC meeting agenda. Any Fiscal Service Chief may submit items of interest or concern to the network FMAC member for consideration in preparing the agenda. **NOTE:** *These items will be presented to the FMAC Chairperson for submission to VHA CFO.*

5. REFERENCES: None.

6. FOLLOW-UP RESPONSIBILITY: VHA CFO (17) is responsible for the contents of this Directive.

7. RESCISSION: None. This VHA Directive expires November 30, 2004.

S/ Frances Murphy, M.D. for
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Acting Under Secretary for Health

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